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IAC-D-100/11
9 May 1956

INTELLIGENCE ADVISORY COMMITTEE

Validity Study of NIE 79:

Probable Developments in South Asia,

published 30 June 1953

The attached validity study of NIE 79, "Probable Developments in South Asia," published 30 June 1953, was noted by the IAC on 8 May 1956 (IAC-M-239, 8 May 1956, item 9 c).

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[redacted]

Secretary

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1. In general, the sections of NIE 79 dealing with India have held up extremely well. While the estimate has to some extent been outdated by such developments as the launching of the second Five Year Plan and the major shift in Sino-Soviet Bloc tactics which has taken place since it was produced, most of its judgments on India still appear generally sound. NIE 79 specifically anticipated India's resentment of US military aid to Pakistan and the increased tension in the subcontinent which has ensued, and has thus far been borne out in its judgment that these developments would nevertheless not result either in an India-Pakistan war or in an Indian break with the West.

2. Viewed in retrospect, NIE 79 was probably somewhat over-pessimistic in its assessment of the economic outlook, particularly in its heavy emphasis on population pressure. With the aid of two bumper crop years, India has already achieved a rate of economic growth approximately double that of population growth; the principal question now is whether India can achieve the far more ambitious goals set out under the Second Five Year Plan. However, we still agree with NIE 79's basic judgment that even if the First Five Year Plan succeeded, India would still have made only a start at solving the formidable economic problems confronting it. And while the danger of population growth outstripping economic growth has receded for the present it will remain a potential threat until and unless India can achieve a sustained rate of economic expansion considerably higher than the present one.

3. NIE 79's estimate that the Congress Party had an "excellent" chance of winning the 1957 elections is probably too

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categorical in view of the uncertainties about voting behavior revealed in recent elections in such similar countries as Pakistan, Indonesia, and Ceylon. However, NIE 79's assessment of Congress Party strengths and weaknesses still remains generally valid.

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